

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	568,924	789,975
2. Net premium income	XXX	138,989,231	158,339,833
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	5,136	0
7. Total revenues (Lines 2 to 6)	XXX	138,994,367	158,339,833
Medical and Hospital:			
8. Hospital/medical benefits	7,632,208	81,453,656	48,432,743
9. Other professional services	600,044	6,403,890	43,984,786
10. Outside referrals	10,601,221	10,601,221	0
11. Emergency room and out-of-area	491,868	5,249,397	37,480,471
12. Prescription Drugs	1,393,519	14,872,139	18,053,503
13. Aggregate write-ins for other medical and hospital	0	197	0
14. Incentive pool and withhold adjustments		(523,526)	(5,152,326)
15. Subtotal (Lines 8 to 14)	20,718,860	118,056,974	142,799,177
Less:			
16. Net reinsurance recoveries		130,874	960,191
17. Total medical and hospital (Lines 15 minus 16)	20,718,860	117,926,100	141,838,986
18. Claims adjustment expenses		4,037,012	1,382,992
19. General administrative expenses.....		12,567,377	14,954,216
20. Increase in reserves for accident and health contracts			0
21. Total underwriting deductions (Lines 17 through 20)	20,718,860	134,530,489	158,176,194
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	4,463,878	163,639
23. Net investment income earned		1,679,125	1,587,546
24. Net realized capital gains or (losses)		(1,477)	29
25. Net investment gains or (losses) (Lines 23 + 24)	0	1,677,648	1,587,575
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
27. Aggregate write-ins for other income or expenses	0	0	24,771
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)	0	6,141,526	1,775,985
29. Federal and foreign income taxes incurred	XXX	2,086,067	586,532
30. Net income (loss) (Lines 28 minus 29)	XXX	4,055,459	1,189,453
DETAILS OF WRITE-INS			
0601. OTHER INCOME.....	XXX	5,136	0
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	5,136	0
1301. TRAVEL AND RELATED EXPENSES.....		197	0
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	197	0
2701. Other Income.....			23,135
2702. Fixed Asset Gain.....			1,636
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	24,771

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
31. Capital and surplus prior reporting year	19,704,641	16,675,797
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
32. Net income or (loss) from Line 30	4,055,459	1,189,453
33. Change in valuation basis of aggregate policy and claim reserve		0
34. Net unrealized capital gains and losses		0
35. Change in net unrealized foreign exchange capital gain or (loss)	0	0
36. Change in net deferred income tax	141,489	(393,730)
37. Change in nonadmitted assets	(936,371)	1,200,921
38. Change in unauthorized reinsurance	0	0
39. Change in treasury stock		0
40. Change in surplus notes	(3,000,000)	0
41. Cumulative effect of changes in accounting principles		670,901
42. Capital Changes:		
42.1 Paid in		0
42.2 Transferred from surplus (Stock Dividend)		0
42.3 Transferred to surplus		0
43. Surplus adjustments:		
43.1 Paid in		84,959
43.2 Transferred to capital (Stock Dividend)		0
43.3 Transferred from capital		0
44. Dividends to stockholders		0
45. Aggregate write-ins for gains or (losses) in surplus	1,747,145	276,341
46. Net change in capital & surplus (Lines 32 to 45)	2,007,722	3,028,844
47. Capital and surplus end of reporting year (Line 31 plus 46)	21,712,363	19,704,641
DETAILS OF WRITE-INS		
4501. CORRECTION OF PRIOR PERIOD.....		272,041
4502. CHANGE IN AVR - SURPLUS.....	3,165	4,300
4503. PRIOR YEAR PREMIUM RECEIVABLES ALLOWANCE ADJUSTMENT.....	1,393,980	0
4598. Summary of remaining write-ins for Line 45 from overflow page	350,000	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	1,747,145	276,341